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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.
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09/209,815 12/11/98 FERSTENBERG

R 8854-0006

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TM02/0413

EXAMINER

PENNIE & EDMONDS
1155 AVENUE OF THE AMERICAS
NEW YORK NY 10036

MYHRE, I	
ART UNIT	PAPER NUMBER

2162
DATE MAILED:

10
04/13/01

Please find below and/or attached an Office communication concerning this application or proceeding.

Commissioner of Patents and Trademarks

Office Action Summary

Application No.
09/209,815

Applicant(s)
Ferstenberg et al

Examiner
James Myhre

Group Art Unit
2162



☒ Responsive to communication(s) filed on Feb 7, 2001

☒ This action is **FINAL**.

☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11; 453 O.G. 213.

A shortened statutory period for response to this action is set to expire 3 month(s), or thirty days, whichever is longer, from the mailing date of this communication. Failure to respond within the period for response will cause the application to become abandoned. (35 U.S.C. § 133). Extensions of time may be obtained under the provisions of 37 CFR 1.136(a).

Disposition of Claims

☒ Claim(s) 87-92, 95-100, and 103-115 is/are pending in the application.

Of the above, claim(s) _____ is/are withdrawn from consideration.

☐ Claim(s) _____ is/are allowed.

☒ Claim(s) 87-92, 95-100, and 103-115 is/are rejected.

☐ Claim(s) _____ is/are objected to.

☐ Claims _____ are subject to restriction or election requirement.

Application Papers

☐ See the attached Notice of Draftsperson's Patent Drawing Review, PTO-948.

☐ The drawing(s) filed on _____ is/are objected to by the Examiner.

☐ The proposed drawing correction, filed on _____ is ☐ approved ☐ disapproved.

☐ The specification is objected to by the Examiner.

☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. § 119

☐ Acknowledgement is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d).

☐ All ☐ Some* ☐ None of the CERTIFIED copies of the priority documents have been

☐ received.

☐ received in Application No. (Series Code/Serial Number) _____.

☐ received in this national stage application from the International Bureau (PCT Rule 17.2(a)).

*Certified copies not received: _____

☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).

Attachment(s)

☒ Notice of References Cited, PTO-892

☐ Information Disclosure Statement(s), PTO-1449, Paper No(s). _____

☐ Interview Summary, PTO-413

☐ Notice of Draftsperson's Patent Drawing Review, PTO-948

☐ Notice of Informal Patent Application, PTO-152

--- SEE OFFICE ACTION ON THE FOLLOWING PAGES ---

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DETAILED ACTION

Response to Amendment

1. The amendment filed on February 7, 2001 has been considered but is ineffective to overcome the Ausubel (5,905,975) reference.

Claim Objections

2. The amendment filed on February 7, 2001 has corrected the deficiencies in the claims as noted in paragraphs 2 and 3 of paper number 7. Therefore, the Examiner hereby withdraws those objections.

Double Patenting

3. The nonstatutory double patenting rejection is based on a judicially created doctrine grounded in public policy (a policy reflected in the statute) so as to prevent the unjustified or improper timewise extension of the "right to exclude" granted by a patent and to prevent possible harassment by multiple assignees. See *In re Goodman*, 11 F.3d 1046, 29 USPQ2d 2010 (Fed. Cir. 1993); *In re Longi*, 759 F.2d 887, 225 USPQ 645 (Fed. Cir. 1985); *In re Van Ornum*, 686 F.2d 937, 214 USPQ 761 (CCPA 1982); *In re Vogel*, 422 F.2d 438, 164 USPQ 619 (CCPA 1970); and, *In re Thorington*, 418 F.2d 528, 163 USPQ 644 (CCPA 1969).

A timely filed terminal disclaimer in compliance with 37 CFR 1.321© may be used to overcome an actual or provisional rejection based on a non-statutory double patenting ground provided the conflicting application or patent is shown to be commonly owned with this application. See 37 CFR 1.130(b).

Effective January 1, 1994, a registered attorney or agent of record may sign a terminal disclaimer. A terminal disclaimer signed by the assignee must fully comply with 37 CFR 3.73(b).

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4. Claims 87-92, 95-100, and 103-115 are rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 1, 4, 5, 16-18, 22, 23, 27, 62, 64-66, 68-70, 81, and 83 of U.S. Patent No. 5,873,071. Although the conflicting claims are not identical, they are not patentably distinct from each other because the only difference is the first person viewpoint of the same system. While the patented claims describe the system from the viewpoint of the participants' computers (buyers), the present application claims describe the same system from the viewpoint of the system as a whole. It would have been inherent that the system and methods ran thereon could be viewed from the viewpoint of any of the system's components - - the buyers, the sellers, or the intermediary. For instance, the patent describes in Claim 69 the steps of (a) "sending electronic opening messages to an intermediary computer program from said e-agent computer programs"; (b) "sending electronic offer messages by said intermediary computer program to said e-agent computer programs"; © receiving electronic counter-offer messages by said intermediary computer program from said e-agent computer programs"; and (d) "repeating steps (b) and (c), each repetition being a round of negotiation". The present application describes in Claim 87 the steps (a) "generating electronic opening messages" from the participants; (b) "generating electronic offer messages"... "representing offers to the participants"; © "generating electronic counter-offer messages" from the participants; and (d) "repeating steps (b) and (c)".

In the patent, the act of sending a message from one computer to another infers that the sending computer has generated the message. Likewise, in the present application, the act of

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generating the messages by one entity and generating response messages by another entity infers that the messages are being sent and received by the appropriate entity. While the Examiner notes the possibility that the sending computer in the patent may only be forwarding a message generated by a third computer, there is no disclosure of any such third computer, nor would it have been likely that the buyer or seller computer (e-agent) would be receiving and forwarding offer and counter-offer messages from some third computer since the buyer and seller computers are the "end computers" in the network. The Examiner further notes that while the present amendment deleted references to computer programs throughout the claims, the claims are directed toward a "computer implemented method", thus inferring that the participants are represented by computer programs running on the computer network. This inference is further supported by figure 4 in the present application which shows computer programs exchanging the messages.

Therefore, the minor variations in the terminology and perspective of the claims between the present invention and the patented claims are rendered obvious and not patentably distinct. As noted above, a timely filed terminal disclaimer in compliance with 37 CFR 1.321© may be used to overcome the above rejection as per 37 CFR 1.130(b).

Claim Rejections - 35 USC § 103

5. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

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(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

6. Claims 87-92, 95-100, and 103-115 are rejected under 35 U.S.C. 103(a) as being unpatentable over Ausubel (5,905,975).

Claims 87, 92, 106-108, and 110: Ausubel discloses a method and computer readable medium with computer instructions for negotiated transactions of commodities (col 7, lines 27-35), comprising:

- a. Generating electronic opening messages requesting commodities by a plurality of participants (buyers and/or sellers)(col 7, lines 23-35 and col 11, lines 5-10);
- b. Generating electronic offer messages from the intermediary to the participants to buy and/or sell commodities within the intermediary's objectives (parameters/guidelines/bidding rules)(col 11, lines 5-10);
- c. Generating counter-offer messages generated within the buyer/seller's objectives (parameters/guidelines/bidding rules)(col 11, lines 5-10);
- d. Repeating steps b and c until an agreement is reached which is within the objectives (parameters/guidelines/bidding rules) of the buyers and sellers (col 9, lines 36-38).

Ausubel further discloses at least one of the participants is a seller (col 10, lines 42-56).

This is inherent in any commodity auction or exchange system. Without sellers, there could be no buyers. As the Applicant pointed out in lines 4-6 on page 17 of the amendment filed February 7, 2001, the auctioneer in Ausubel corresponds to the claimed intermediary. While possible, it is

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rare that the auctioneer is the owner of the commodities or items being auctioned. In the great majority of auctions (and stock/futures/commodity exchanges) the auctioneer merely facilitates the negotiation and transfer of items from seller to buyers. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made that since the buyers in Ausubel are purchasing commodities there must also be at least one seller selling the same number of commodities. One would have been motivated to include sellers in the system in order to have commodities available for the buyers to purchase.

Claims 88, 90, 103, and 113: Ausubel discloses a system and method for negotiated transactions of commodities as in Claims 87 and 102 above, and further discloses that the objectives reflect the interests of the participants (col 11, lines 15-57) and are used to generate the counter-offers (col 11, lines 5-10).

Claim 89: Ausubel discloses a method for negotiated transactions of commodities as in Claim 87 above, and further discloses sending from the seller to the buyers messages containing data representing commodities available for exchange (col 11, lines 5-10).

Claim 91: Ausubel discloses a method for negotiated transaction of commodities as in Claim 87 above, and further discloses the seller using a parameterized utility function which reflects the interests of the buyers (col 12, lines 39-67).

Claim 95: Ausubel discloses a system for negotiated transactions of commodities as in Claim 93 above, and further discloses terminating the cycle of offers and counter-offers upon reaching equivalency between buy and sell offers (col 12, lines 7-19).

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Claim 96: Ausubel discloses a system for negotiated transactions of commodities as in Claim 93 above, and further discloses storing bounds set by the sellers and buyers and verifying that the transactions remain within these bounds (col 11, line 40 - col 12, line 19).

Claims 99, 105, and 111: Ausubel discloses a system and method for negotiated transactions of commodities as in Claims 93 and 102 above, and further discloses the generating the offer amounts in order to maximize the value of the utility function (col 11, line 40 - col 12, line 19).

Claims 104 and 112: Ausubel discloses a method for negotiated transactions of commodities as in Claim 102 above, and further discloses expressing the objectives according to portfolio theory (col 6, lines 50-63) and used to generate the counter-offers (col 11, lines 5-10).

Claims 109, 114, and 115: Ausubel discloses a method for negotiated transactions of commodities as in Claims 87, 107, and 108 above. While Ausubel does not explicitly disclose that the prices are externally given, it is old and well known in the commodity trading arts to use the current market price as a starting point in negotiations. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to use the external market price as a starting point in the Ausubel system.

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7. Claims 97, 98, and 100 are rejected under 35 U.S.C. 103(a) as being unpatentable over Ausubel (5,905,975) in view of .

Claims 97, 98, and 100: Ausubel discloses a method for negotiated transactions of commodities as in Claims 96 and 99 above, but does not explicitly disclose measuring the unfairness of the share division of the commodity offers. Thiessen discloses using an unfairness calculation (satisfaction function) for resolving conflicting goals of participants during negotiations (col 4, lines 26-44) to maximize the satisfaction level (thus, minimizing the unfairness level) for each participant. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to perform similar calculations during the negotiations in Ausubel to ensure the final commodity exchange is equitable and fair to all participants. One would have been motivated to calculate and apply the fairness factor in order to prevent alienation of certain participants who may feel as if they were treated unfairly. This would especially apply in situations where the size of the participants varies greatly. For instance, an individual desires to purchase 50 units of a commodity while three investment entities desire to purchase 1,000 units each of the same commodity. If there were only 2,500 units of this commodity offered for sale, the individual would most probably feel it unfair if the investment entities were allowed to purchase all of the commodities available and none were left for him to buy. By using one of Thiessen's satisfaction calculations, all four purchasers would receive an equitable amount of units.

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Response to Arguments

8. Applicant's arguments filed February 7, 2001 have been fully considered but they are not persuasive.

a. Applicant argues against the double patenting rejection presenting in paragraph 5 of paper number 7. The Examiner has reviewed the amended claims and has withdrawn the non-obvious double patenting rejection under the "unjustified timewise extension of the right to exclude" argument, also known as a *Schneller* rejection. However, an obviousness double patenting rejection of all claims has been entered in paragraph 4 above.

b. Applicant's arguments with respect to claims 87-96, 99, and 101-106 have been considered but are moot in view of the new ground(s) of rejection. The argument pertaining to the lack of sellers in the Ausubel reference has been discussed at length in paragraph 6 above.

Conclusion

9. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period


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will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Exr. James W. Myhre whose telephone number is (703) 308-7843. The examiner can normally be reached on weekdays from 6:00 a.m. to 3:30 p.m.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber, can be reached on (703) 305-8469. The fax phone number for Formal or Official faxes to Technology Center 2100 is (703) 308-9051 or 9052. Draft or informal faxes for this Art Unit can be submitted to (703) 305-0040.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Group receptionist whose telephone number is (703) 308-3900.


JWM
April 11, 2001


ERIC W. STAMBER
PRIMARY EXAMINER